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**ANNUAL REPORT**  
*of the*  
**DETROIT AND MACKINAC**  
**RAILWAY COMPANY**

**FOR THE FISCAL YEAR ENDING DECEMBER 31st**  
**1938**



**ANNUAL REPORT**  
*of the*  
**DETROIT AND MACKINAC  
RAILWAY COMPANY**

**FOR THE FISCAL YEAR ENDING DECEMBER 31st**

**1938**



# DETROIT AND MACKINAC RAILWAY COMPANY

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## DIRECTORS AND OFFICERS

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### BOARD OF DIRECTORS

HENRY K. McHARG .....	Ridgefield, Conn.
DAVID H. PIERSON .....	Elizabeth, N. J.
JAMES BROWN MABON .....	New York, N. Y.
JAMES McNEIL .....	New York, N. Y.
EDWIN G. MERRILL .....	New York, N. Y.

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### OFFICERS

HENRY K. McHARG, <i>President</i> .....	Ridgefield, Conn.
C. A. PINKERTON, <i>Vice-President and General Manager</i> .....	Tawas City, Michigan
JAMES McNeil, <i>Secretary and Treasurer</i> .....	New York, N. Y.
GEORGE J. BERGEVIN, <i>Auditor</i> .....	Tawas City, Michigan
N. W. SALSBERY, <i>Asst. Treasurer and Asst. Secretary</i> .....	Tawas City, Michigan
R. W. HICKEY, <i>Purchasing Agent</i> .....	Tawas City, Michigan
CARL R. HENRY, <i>General Counsel</i> .....	Alpena, Michigan
A. S. MATTESON, <i>Traffic Manager</i> .....	Alpena, Michigan

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### FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company .....	New York, N. Y.
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### REGISTRAR OF STOCK

Central Hanover Bank and Trust Company .....	New York, N. Y.
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### ANNUAL MEETING

The last Tuesday in April is the date of Annual Meeting of Stockholders.

General Office (in Michigan) .....	Tawas City, Michigan.
General Office (outside of Michigan).....	110 William Street, New York, N. Y.

COLEGROVE, MURPHY & ANGELL  
CERTIFIED PUBLIC ACCOUNTANTS  
LAFAYETTE BUILDING  
DETROIT

ALBERT M. COLEGROVE, C. P. A.  
HARRY L. MURPHY, C. P. A.  
C. ROBERT ANGELL, C. P. A.

February 9, 1939.

Mr. George J. Bergevin, Auditor,  
Detroit and Mackinac Railway Company,  
Tawas City, Michigan.

Dear Sir:

Pursuant to your request, we have made a cash audit of the accounts of the Detroit and Mackinac Railway Company for the year ended December 31, 1938, and herewith present statements showing the result of the operation of your company for the period under review.

We certify that, according to the books and records, the attached balance sheet reflects the true financial condition of your company as at December 31, 1938, and the accompanying schedules are a correct expression of the results of your operations for the year ended on that date.

Very truly yours,  
COLEGROVE, MURPHY & ANGELL,  
By Harry L. Murphy,  
Certified Public Accountant.

REPORT OF THE  
VICE-PRESIDENT TO THE STOCK AND BONDHOLDERS  
OF THE  
DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan, February 15, 1939.

To the Stockholders and Bondholders of the Detroit and Mackinac Railway Company:

In the first seven months of the year, operating revenues decreased \$76,290, compared with the same period previous year, but as a result of increased traffic during the last five months of 1938, total operating revenues were \$877,856, a decline of \$7,589 compared with 1937. The movement of crude oil contributed \$74,000. Sugar stone moved in greater volume, the revenue of which totaled \$96,700. The revenue from switching totaled \$15,644, which latter amount substantially assisted in off-setting the decreases in the freight and passenger earnings.

By reason of reduced earnings in the first half of the year it was necessary to defer until another year general repairs to our steel under-frame box cars and the application of steel frames to the trucks of these cars. We have placed the repairs to these cars in the program for 1939.

Car hire for the year reflects a net debit balance of \$54,033, or \$8,867 less than the previous year. The balance will continue to be against us until such time as we can acquire additional equipment for our requirements, to replace foreign cars.

The total operating expenses amounted to \$630,600, a decrease of \$64,044 compared with 1937. The operating ratio, (percentage of operating revenues required to pay operating expenses), was 71.83%, compared with 78.45% in 1937.

Tax accruals under the Social Security Act, for Federal and State Unemployment Insurance, and the Railroad Retirement Tax under the Carrier's Taxing Act of 1937, continue to be a heavy burden and an increasing drain upon the funds of your company.

While it was impossible to make many desired improvements, the property was given reasonably good maintenance, with a few permanent improvements which I mention briefly: New rail in main track, and around wye in North Alpena yard; relocation of Rockport track through the Huron Portland Cement Company's property, Alpena; ballasting on Prescott Branch, and Main Line south of Pinconning; replacement of Big Creek all wood bridge, on the AuGres Branch, with cement abutments, and steel girder bridge; construction of additional track in Bay City yards.

For the assistance and support of our patrons, and the loyal cooperation of the officers and employees, I extend my sincere appreciation.

The usual tables for your information follow.

Respectfully submitted,

C. A. PINKERTON,

*Vice-President and General Manager.*

# DETROIT AND MACKINAC RAILWAY COMPANY

## OFFICE OF AUDITOR

Tawas City, Mich., Feb. 11, 1939.

HENRY K. McHARG, ESQ.,  
*President.*

Dear Sir:

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ended December 31st, 1938, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Revenues and Expenses by Years.

TABLE E-1—Net Revenue from Railway Operations and Tax Assessments by Years.

TABLE F—Details of Operating Expenses.

TABLE G—Mileage.

TABLE H—Classification of Freight Tonnage, 1937 and 1938.

TABLE I—Statistics for Years 1937 and 1938.

TABLE J—Equipment.

TABLE K—Yard Tracks, Sidings and Spurs built and taken up during the year.

Respectfully,

GEORGE J. BERGEVIN,

Auditor.



TABLE A

## DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1938, AND COMPARISON WITH  
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1937, SHOWING INCREASE OR DECREASE

## ASSETS

	Items	Total	Increase	Decrease
<i>Investments:</i>		\$ 7,220,620.20		
	Investment in Road and Equipment.....	\$7,173,435.28		\$11,075.44
	Miscellaneous Physical Property.....	40,788.52		1,105.87
	Investments in Affiliated Companies.....	6,336.40		422.43
	Deposits in Lieu of Mortgage Property Sold.....	60.00		
<i>Current Assets:</i>		345,257.16		
	Cash.....	119,809.04	\$ 46,088.36	
	Special Deposits—J. P. Morgan Coupon Account.....	6,380.00		158,580.00
	Traffic and Car Service Balances Receivable.....	8,368.19	6,324.88	
	Net Balances Receivable from Agents and Conductors.....	13,246.87	1,099.57	
	Miscellaneous Accounts Receivable.....	22,122.92		4,099.78
	Material and Supplies.....	175,330.14		3,940.53
	Other Current Assets.....			312.47
<i>Deferred Assets:</i>		689.38		
	Working Fund Advances.....	567.54		
	Other Deferred Assets.....	121.84		81.58
<i>Unadjusted Debits:</i>		9,798.42		
	Insurance Premiums Paid in Advance.....	3,001.38		1,605.13
	Other Unadjusted Debits.....	6,797.04		1,338.14
	Total.....	\$ 7,576,365.16		\$129,048.56

TABLE A—(Continued)

LIABILITIES		Total	Increase	Decrease
Items		\$		
<i>Capital Stock:</i>				
Common Stock .....	\$ 2,000,000.00			
Preferred Stock .....	950,000.00			
<i>Grants in Aid of Construction:</i>				
<i>Long Term Debt:</i>				
First Lien Bonds .....	\$1,484,000.00			
Held in Treasury .....	112,000.00			
Outstanding .....	1,372,000.00	313.10		
Mortgage Bonds .....	1,750,000.00	2,622,000.00		
Pledged as Collateral .....	500,000.00			
Outstanding .....	1,250,000.00			
<i>Non-Negotiable Debt to Affiliated Companies:</i>				
<i>Current Liabilities:</i>				
Loans and Bills Payable .....	42,718.15	235,000.00	\$235,000.00	\$285,000.00
Traffic and Car Service Balances Payable .....	38,425.21	141,261.65		4,111.38
Audited Accounts and Wages Payable .....	5,916.29			7,640.65
Miscellaneous Accounts Payable .....	42,780.00			1,806.34
Interest Matured Unpaid .....	9,523.34			122,180.00
Unmatured Interest Accrued .....	1,898.66		1,321.12	166.66
Other Current Liabilities .....				
<i>Unadjusted Credits:</i>				
Tax Liability .....	18,046.31	944,500.94		
Accrued Depreciation—Road .....	133,576.04		621.87	
Accrued Depreciation—Equipment .....	790,868.64		30,912.67	
Other Unadjusted Credits .....	2,009.95			1,594.94
<i>Corporate Surplus:</i>				
Additions to Property through Income and Surplus .....	1,856,947.06	683,289.47	609.71	
Profit and Loss—Debit Balance .....	1,173,657.59		24,986.04	
Total .....		\$7,576,365.16		\$129,048.56

TABLE B

## DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT, DECEMBER 31, 1938, COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 1937.

	1938	1937	Increase	Decrease
Freight .....	\$ 760,616.55	\$ 768,055.12		\$ 7,438.57
Passenger .....	31,473.23	38,500.03		7,026.80
Excess Baggage .....	25.80	293.36		467.56
Mail .....	42,764.63	41,553.81	\$ 1,210.82	
Express .....	9,626.87	13,701.47		4,074.60
Other Passenger Train .....	2,496.59	2,609.44		112.85
Milk .....	8,771.08	9,462.96		691.88
Switching .....	15,643.89	3,258.50	12,385.39	
Station, Train and Boat Privileges .....	67.37	73.75		6.38
Parcel Room .....	4.30	9.90		5.60
Storage—Freight .....	312.54	436.19		123.65
Demurrage .....	757.90	1,476.00		718.10
Telegraph and Telephone .....	161.84	164.62		2.78
Rents of Buildings and Other Property .....	4,526.15	4,114.33	611.82	
Miscellaneous .....	595.44	1,726.27		1,130.83
Joint Facility—Cr. ....	12.05	11.06	.99	
Joint Facility—Dr. ....		1.35		1.35
Total Operating Revenues .....	\$ 877,856.23	\$ 885,445.46		\$ 7,589.23

## OPERATING EXPENSES

Maintenance of Way and Structures .....	\$ 138,121.28	\$ 143,950.33	\$ 5,829.05
Maintenance of Equipment .....	139,265.15	184,640.13	45,374.98

TABLE B—(Continued)

	1938	1937	Increase	Decrease
Traffic .....	\$ 11,839.71	\$ 11,414.95	\$ 424.76	
Transportation—Rail Line .....	306,232.74	313,698.78		\$ 7,466.04
Miscellaneous Operations .....	128.43	189.90		61.47
General .....	36,910.16	41,531.96		4,621.80
Transportation for Investment—Cr.....	1,897.82	782.19	1,115.63	
Total Operating Expenses.....	\$ 630,599.65	\$ 694,643.86		\$ 64,044.21
Net Operating Revenue .....	247,256.58	190,801.60	56,454.98	
Railway Tax Accruals .....	34,889.55	35,134.67		245.12
Railway Operating Income .....	\$ 212,367.03	\$ 155,666.93	\$ 56,700.10	
Income from Lease of Road and Equipment.....	1,038.53	1,875.40		836.87
Miscellaneous Rent Income .....	1,883.33	1,028.50	854.83	
Miscellaneous Non-Operating Physical Property.....	395.43	199.86	195.57	
Miscellaneous Income .....	16.00		16.00	
Equipment Rents .....	† 54,032.71	† 62,899.41	8,866.70	
Joint Facility Rents .....	† 1,612.19	† 1,325.64		286.55
Total Income .....	\$ 160,055.42	\$ 94,545.64	\$ 65,509.78	
Miscellaneous Rents .....	30.00	30.00		
Miscellaneous Tax Accruals .....	978.88	860.57	118.31	
Interest on Funded Debt .....	115,163.34	95,546.66	19,616.68	
Interest on Unfunded Debt .....	989.58	10,296.45		9,306.87
Miscellaneous Income Charges .....	3,139.30	2,061.80	1,077.50	
Income Balance Transferred to Profit and Loss.....	\$ 39,754.32	\$* 14,249.84	\$ 54,004.16	
† Debit.      * Deficit.				

TABLE B—(Continued)

**DETROIT AND MACKINAC RAILWAY COMPANY**  
**PROFIT AND LOSS ACCOUNT**

Debit Balance, January 1, 1938.....	\$ 1,198,643.63	
Credit Balance Transferred from Income .....		\$ 39,754.32
Miscellaneous Credits.....		1,193.23
Debits from Retired Road and Equipment.....	14,639.84	
Miscellaneous Debits .....	1,321.67	
Debit Balance Carried to Balance Sheet .....		1,173,657.59
	<u>\$ 1,214,605.14</u>	<u>\$ 1,214,605.14</u>

TABLE C

**PARTICULARS OF BONDED DEBT**

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$ 1,372,000.00	4 %	June and December	\$ 54,880.00	June 1, 1995
Mort.	1,250,000.00	4 %	June and December	50,000.00	June 1, 1995
	<u>\$ 2,622,000.00</u>			<u>\$104,880.00</u>	

TABLE D

## DETROIT AND MACKINAC RAILWAY COMPANY

## COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31, 1936	Dec. 31, 1937	Dec. 31, 1938
Cash .....	\$ 294,997.72	\$ 73,720.68	\$ 119,809.04
Special Funds .....	3,060.00	164,960.00	6,380.00
Due from Station Agents and Others..	51,318.80	38,370.00	35,369.79
Material and Supplies .....	187,092.82	179,270.67	175,330.14
Prepaid and Deferred Charges .....	2,311.12	5,377.47	3,690.76
Other Unadjusted Debits .....	8,127.05	8,447.65	6,797.04
Totals .....	\$ 546,907.51	\$ 470,146.47	\$ 347,376.77
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls .....	\$ 43,995.93	\$ 46,065.86	\$ 38,425.21
Notes Payable .....	250,000.00	285,000.00	235,000.00
Accrued Taxes, Interest and Traffic Balances .....	363,974.29	245,160.83	112,514.56
Totals .....	\$ 657,970.22	\$ 576,226.69	\$ 385,939.77
Net Assets .....	\$* 111,062.71	\$* 106,080.22	\$* 38,563.00
CAPITAL ASSETS			
Cost of Road .....	\$ 6,048,025.28	\$ 6,049,255.97	\$ 6,041,027.61
Cost of Equipment .....	1,287,844.03	1,135,254.75	1,132,407.67
Miscellaneous Physical Property.....	42,905.39	41,894.39	40,788.52
Investments in Affiliated Companies	9,011.76	6,758.83	6,336.40
Deposits for Property Sold .....	60.00	60.00	60.00
Totals .....	\$ 7,387,846.46	\$ 7,233,223.94	\$ 7,220,620.20
REPRESENTING			
Bonds Issued—First Lien .....	\$ 1,484,000.00	\$ 1,372,000.00	\$ 1,372,000.00
Bonds Issued—Mortgage .....	1,250,000.00	1,250,000.00	1,250,000.00
Stock Issued—Common .....	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred .....	950,000.00	950,000.00	950,000.00
Reserves .....	984,215.92	893,532.01	924,444.68
Grants in Aid of Construction.....	313.10	313.10	313.10
Other Unadjusted Credits.....	3,282.63	3,604.89	2,009.95
Additions to Property Through In- come and Surplus .....	1,856,202.32	1,856,337.35	1,856,947.06
Surplus .....	† 1,251,230.22	† 1,198,643.63	† 1,173,657.59
Totals .....	\$ 7,276,783.75	\$ 7,127,143.72	\$ 7,182,057.20

†Deficit. \*Credit.

TABLE E

## DETROIT AND MACKINAC RAILWAY COMPANY

## REVENUES AND EXPENSES BY YEARS

REVENUES	1934	Per	1935	Per	1936	Per	1937	Per	1938	Per
	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.
Freight .....	\$530,785.20	83.86	\$549,215.42	83.91	\$690,506.05	85.94	\$768,055.12	86.74	\$760,616.55	86.64
Passenger .....	31,770.32	5.02	31,186.47	4.76	37,276.88	4.64	38,500.03	4.35	31,473.23	3.59
Mail .....	39,781.41	6.29	40,326.76	6.17	40,906.40	5.09	41,553.81	4.69	42,764.63	4.87
Express .....	12,637.12	2.00	15,628.51	2.39	15,067.44	1.88	13,701.47	1.55	9,626.87	1.10
Milk .....	8,119.51	1.28	8,860.50	1.35	9,297.27	1.16	9,462.96	1.07	8,771.08	1.00
Other Sources .....	9,810.80	1.55	9,288.25	1.42	10,430.35	1.29	14,172.07	1.60	24,603.87	2.80
Total .....	\$632,904.36	100 %	\$654,505.91	100 %	\$803,484.39	100 %	\$885,445.46	100 %	\$877,856.23	100 %
EXPENSES										
Maint. Way and Structures..	114,118.14	22.19	120,962.31	22.05	126,113.55	20.83	143,950.33	20.72	138,121.28	21.90
Maintenance Equipment .....	79,707.26	15.50	119,667.36	21.81	140,203.54	23.16	184,640.13	26.58	139,265.15	22.09
Traffic .....	10,310.90	2.00	10,529.21	1.92	10,954.43	1.81	11,414.95	1.64	11,839.71	1.88
Transportation .....	254,831.14	49.55	263,109.23	47.95	286,450.57	47.33	313,698.78	45.16	306,232.74	48.56
Miscellaneous Operations.....	74.84	.01	137.34	.03	124.20	.02	189.90	.03	128.43	.02
General .....	55,375.55	10.76	34,334.76	6.26	42,061.62	6.95	41,531.96	5.98	36,910.16	5.85
Transportation for Invest- ment—Cr. ....	85.10	.01	116.64	.02	602.12	.10	782.19	.11	1,897.82	.30
Total .....	\$514,332.73	100 %	\$548,623.57	100 %	\$605,305.79	100 %	\$694,643.86	100 %	\$630,599.65	100 %
Net earnings .....	118,571.63	18.73	105,882.34	16.18	198,178.60	24.66	190,801.60	21.55	247,256.58	28.17
Taxes .....	1,733.27	.27	15,247.76	2.33	21,118.51	2.63	35,134.67	3.97	34,889.55	3.98
Net Earnings, less Taxes.....	\$116,838.36	18.46	\$ 90,634.58	13.85	\$177,060.09	22.03	\$155,666.93	17.58	\$212,367.03	24.19

TABLE E-1

## DETROIT AND MACKINAC RAILWAY COMPANY

## RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Revenue	Railway Tax Accruals	Net Revenue Less Tax Accruals
1927.....	\$1,626,388.27	\$1,395,680.04	\$230,708.23	\$121,621.29	\$109,086.94
1928.....	1,668,742.83	1,238,996.90	429,745.93	130,616.03	299,129.90
1929.....	1,586,301.94	1,274,010.74	312,291.20	103,237.43	209,053.77
1930.....	1,082,774.02	959,900.99	122,873.03	91,649.69	31,223.34
1931.....	1,000,892.10	734,866.26	266,025.84	70,731.10	195,294.74
1932.....	759,894.83	606,788.00	153,106.83	50,001.27	103,105.56
1933.....	601,960.77	508,924.72	93,036.05	42,747.21	50,288.84
1934.....	632,904.36	514,332.73	118,571.63	* 1,733.27	116,838.36
1935.....	654,505.91	548,623.57	105,882.34	15,247.76	90,634.58
1936.....	803,484.39	605,305.79	198,178.60	21,118.51	177,060.09
1937.....	885,445.46	694,643.86	190,801.60	35,134.67	155,666.93
1938.....	877,856.23	630,599.65	247,256.58	34,889.55	212,367.03

\*Includes \$26,714.43 Credit Adjustment.



TABLE F

## DETROIT AND MACKINAC RAILWAY COMPANY

## OPERATING EXPENSES

1938 COMPARED WITH 1937

## MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence.....	\$ 12,314.21	\$ 1,851.34	
Roadway Maintenance .....	9,885.38		\$5,028.13
Bridges, Trestles and Culverts .....	2,579.42	1,023.43	
Ties .....	22,996.92	1,224.33	
Rails .....	953.17	441.60	
Other Track Material .....	4,231.43		2,082.94
Ballast .....	1,347.20	535.88	
Track Laying and Surfacing .....	56,736.97		1,620.72
Fences, Snowsheds and Signs.....	1,866.67		454.97
Station and Office Buildings .....	1,700.17		5,263.17
Roadway Buildings .....	110.86		302.05
Water Stations .....	1,280.67	80.81	
Fuel Stations .....	361.22		743.22
Shops and Enginehouses .....	5,302.45		190.87
Telegraph and Telephone Lines.....	1,582.72	606.12	
Signals and Interlockers .....	735.85	541.88	
Power Plants .....	13.87	13.87	
Power Transmission Systems .....	11.26	.49	
Miscellaneous Structures .....	8.79	8.79	
Roadway Machines .....	1,722.28		1,245.00
Small Tools and Supplies .....	2,356.13		132.84
Removing Snow, Ice and Sand .....	6,504.88	4,324.60	
Public Improvements, Maintenance .....	1,064.36	186.72	
Injuries to Persons .....	351.28	62.48	
Insurance .....	878.09		217.46
Stationery and Printing .....	206.64		158.73
Other Expenses .....	5.17	5.17	
Maintaining Joint Tracks, Yards, and Other Facilities—Dr. ....	1,269.52	355.38	
Maintaining Joint Tracks, Yards, and Other Facilities—Cr. ....	256.30		348.16
Total .....	\$ 138,121.28		\$5,829.05

TABLE F—(Continued)

## MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence .....	\$ 14,566.36	\$ 1,333.02	
Shop Machinery .....	885.79		\$ 588.77
Power Plant Machinery .....	357.50		120.82
Steam Locomotives—Repairs .....	45,806.84	75.90	
Other Locomotives—Repairs .....	4.34		1.13
Freight Train Cars—Repairs .....	20,626.93		40,221.67
Passenger Train Cars—Repairs .....	21,730.70	2,280.56	
Work Equipment—Repairs .....	966.55		1,027.47
Miscellaneous Equipment—Repairs .....	69.33		11.94
Equipment—Retirements .....	57.49		3,244.37
Equipment—Depreciation .....	32,943.81		1,729.13
Injuries to Persons .....	222.75		1,613.46
Insurance .....	525.20		51.11
Stationery and Printing .....	272.71		242.52
Other Expenses .....	629.33		107.78
Maintaining Joint Equipment—Dr. ....	148.49		.63
Maintaining Joint Equipment—Cr. ....	548.97	103.66	
Total .....	\$ 139,265.15		\$45,374.98

## TRAFFIC

Superintendence .....	\$ 6,666.16	\$ 106.43	
Advertising .....	172.15		\$ 201.12
Traffic Associations .....	1,970.39	218.11	
Insurance .....	21.34		1.43
Stationery and Printing .....	3,009.67	302.77	
Total .....	\$ 11,839.71	\$ 424.76	

## TRANSPORTATION—RAIL LINE

Superintendence .....	\$ 17,280.16		\$ 446.06
Dispatching Trains .....	6,647.85		481.28
Station Employees .....	50,055.64		2,203.19
Weighing, Inspection and Demurrage Bureaus .....	581.40	\$ 487.91	
Station Supplies and Expenses .....	3,417.29		206.38
Yardmasters and Yard Clerks .....	5,272.45		1,207.71
Yard Conductors and Brakemen .....	10,569.40	1,506.07	
Yard Enginemen .....	8,118.80	222.13	
Yard Switching Fuel .....	8,556.44	265.94	
Water for Yard Locomotives .....	467.18		298.81
Lubricants for Yard Locomotives .....	262.18		17.40
Other Supplies for Yard Locomotives .....	238.67	97.20	
Enginehouse Expenses—Yard .....	4,845.75	546.10	
Yard Supplies and Expenses .....	1,177.77	165.43	
Train Enginemen .....	30,799.57		482.48
Train Motormen .....	7,478.68	588.50	
Train Fuel .....	59,408.63		2,182.25
Water for Train Locomotives .....	1,780.65		529.46
Lubricants for Train Locomotives .....	1,641.89	42.88	
Other Supplies for Train Locomotives .....	738.85	176.84	
Enginehouse Expenses—Train .....	24,102.41	908.36	
Trainmen .....	41,497.23		383.66

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Supplies and Expenses .....	\$ 9,628.09		\$1,210.82
Crossing Protection .....	210.70		4.03
Drawbridge Operation .....	2,975.64	\$ 52.30	
Telegraph and Telephone Operation.....	3,233.03	321.79	
Stationery and Printing .....	2,633.20		657.04
Other Expenses .....	40.78		9.90
Insurance .....	458.22	16.37	
Clearing Wrecks .....	10.75		850.62
Damage to Property .....	85.00	20.00	
Damage to Live Stock on Right of Way.....	294.99	240.76	
Loss and Damage—Freight .....	1,475.63		588.99
Loss and Damage—Baggage .....			4.00
Injuries to Persons .....	341.00		596.01
Operating Joint Yards and Terminals—Dr....	7,288.23		719.41
Operating Joint Yards and Terminals—Cr....	6,745.54	340.75	
Operating Joint Tracks and Facilities—Dr....	955.40	320.52	
Operating Joint Tracks and Facilities—Cr....	1,591.27	24.89	
Total .....	\$306,232.74		\$7,466.04

## MISCELLANEOUS OPERATIONS

Dining and Buffet Service .....	\$ 128.43	\$ 61.47
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## GENERAL

Salaries and Expenses of General Officers.....	\$ 11,000.56	\$ 8.75
Salaries and Expenses of Clerks and Attendants .....	19,187.91	\$ 644.48
General Office Supplies and Expenses.....	979.57	38.94
Law Expense .....	2,269.18	64.69
Insurance .....	120.91	7.74
Pensions .....	4.14	3,393.46
Stationery and Printing .....	2,039.22	493.73
Other Expenses .....	1,308.67	65.39
Total .....	\$ 36,910.16	\$4,621.80

## SUMMARY

Maintenance of Way and Structures .....	\$138,121.28	\$5,829.05
Maintenance of Equipment .....	139,265.15	45,374.98
Traffic .....	11,839.71	\$ 424.76
Transportation—Rail Line .....	306,232.74	7,466.04
Miscellaneous Operations .....	128.43	61.47
General .....	36,910.16	4,621.80
Transportation for Investment—Cr. ....	1,897.82	1,115.63
Total Operating Expenses .....	\$630,599.65	\$64,044.21

TABLE G

## DETROIT AND MACKINAC RAILWAY COMPANY

## STATEMENT OF MILEAGE, DECEMBER 31, 1938

## MAIN LINE

North Bay City to Cheboygan .....	195.10
One-half Undivided Ownership—Foss to North Bay City.....	.26

## BRANCHES

Omer to AuGres .....	7.95
National City to Prescott .....	12.26
Alabaster Junction to Alabaster .....	4.27
Hillman Junction to Emerson .....	10.38
Rogers City Junction to Rogers City .....	14.33
Total .....	49.19
Total Main Line and Branches .....	244.55
Yard Tracks and Sidings .....	60.87
Total, all Tracks (miles) .....	305.42

TABLE H

## DETROIT AND MACKINAC RAILWAY COMPANY

## CLASSIFICATION OF FREIGHT TONNAGE

<i>Products of Agriculture:</i>	1938 Tons	Per Cent.	1937 Tons	Per Cent.
Grain .....	242		478	.1
Flour .....	2,499	.3	1,839	.2
Other Mill Products .....	1,540	.2	614	.1
Hay and Straw .....	15		5,975	.8
Potatoes .....	12,338	1.5	13,548	1.7
Fruits and Vegetables .....	2,994	.4	4,961	.6
Sugar Beets .....	21,526	2.7	11,475	1.5
Other Products of Agriculture .....	2,460	.3	1,987	.2
Totals .....	43,614	5.4	40,877	5.2

TABLE H—(Continued)

	1938 Tons	Per Cent.	1937 Tons	Per Cent.
<i>Animals and Products:</i>				
Live Stock .....	238		761	.1
Wool .....	97		59	
Hides and Leather .....	124		1,402	.2
Other Animals and Products .....	597	.1	627	.1
Totals .....	1,056	.1	2,849	.4
<i>Products of Mines:</i>				
Anthracite Coal .....	783	.1	495	.1
Bituminous Coal .....	41,090	5.1	50,719	6.5
Coke .....	908	.1	1,295	.2
Clay, Gravel, Sand and Stone .....	360,773	44.4	306,763	39.2
Petroleum—Crude .....	149,636	18.3	110,779	14.1
Other Products of Mines .....	1,263	.2	3,627	.5
Totals .....	554,453	68.2	473,678	60.6
<i>Products of Forests:</i>				
Pulp Wood .....	14,385	1.8	29,653	3.8
Lumber, Shingles and Lath .....	13,817	1.7	11,389	1.4
Other Products of Forests .....	4,177	.5	5,203	.7
Totals .....	32,379	4.0	46,245	5.9
<i>Manufactures and Miscellaneous:</i>				
Refined Petroleum and its Products.....	32,610	4.0	36,115	4.6
Sugar .....	269		404	.1
Rails and Fastenings .....	229		403	.1
Bar and Sheet Iron, Structural Iron, and Iron Pipe .....	2,408	.3	3,847	.5
Castings, Machinery and Boilers .....	1,263	.2	2,712	.3
Cement .....	8,768	1.1	12,151	1.6
Brick and Artificial Stone .....	1,591	.2	2,419	.3
Lime and Plaster .....	23,378	2.9	30,290	3.9
Building Paper and Prepared Roofing Material .....	2,083	.3	1,593	.2
Beverages .....	33		69	
Fertilizers (all kinds) .....	793	.1	1,185	.1
Newsprint and Printing Paper .....	8,347	1.0	5,755	.8
Chemicals and Explosives .....	533	.1	1,088	.1
Canned Goods (all canned food products)....	656	.1	527	.1
Paper Bags and Wrapping Paper .....	11,767	1.4	14,016	1.8
Paperboard, Pulpboard and Wallboard.....	4,770	.6	5,348	.7
Other Manufactures and Miscellaneous.....	71,463	8.7	86,659	11.0
Totals .....	170,961	21.0	204,581	26.2
All L. C. L. Freight .....	10,910	1.3	13,678	1.7
Grand Total, Carload and L. C. L. Traffic .....	813,373	100 %	781,908	100 %

TABLE I

## DETROIT AND MACKINAC RAILWAY COMPANY

## FREIGHT STATISTICS

	1938	1937
Number tons revenue freight carried.....	813,373	781,908
Number tons non-revenue freight carried.....	30,878	27,426
Total number tons of freight carried.....	844,251	809,334
Number revenue tons carried one mile.....	60,021,000	54,915,000
Number all tons carried one mile.....	62,305,000	56,984,000
Number revenue tons carried one mile, per mile of road .....	247,939	226,846
Number tons all freight carried one mile, per mile of road .....	257,374	235,393
Average distance haul of one ton revenue freight (miles) .....	73.79	70.23
Average distance haul of one ton all freight (miles) .....	73.80	70.41
Total freight revenue .....	\$ 760,616.55	\$ 768,055.12
Average amount received for each ton of freight .....	.93515	.98228
Average receipts, per ton, per mile .....	.01267	.01399
Freight revenue, per mile of road .....	3,142.00	3,172.73
Freight revenue, per train mile .....	4.77	4.81
Average number of revenue tons, per train mile .....	376.46	344.23
Average number of all tons, per train mile.....	390.78	357.20
Average number of all tons, per loaded car mile .....	28.1	24.9
Average number of cars, per train mile.....	23.5	23.4

## PASSENGER STATISTICS

Number of passengers carried .....	21,291	26,080
Number of passengers carried one mile.....	1,610,500	2,014,600
Number of passengers carried one mile, per mile of road .....	6,653	8,322
Average distance each passenger carried (miles) .....	75.60	77.20
Passenger revenue .....	\$ 31,473.23	\$ 38,500.03
Average amount received from each passenger..	1.48	1.48
Average receipts, per passenger, per mile.....	.01954	.01911
Total passenger train earnings .....	95,158.20	106,121.00
Passenger earnings, per mile of road.....	393.09	438.37
Passenger earnings, per train mile.....	.52	.58
Average number of passengers, per train mile....	8.74	10.94

## OPERATING STATISTICS

Gross revenue from operation .....	\$ 877,856.23	\$ 885,445.46
Gross revenue from operation, per mile of road..	3,626.31	3,657.65
Operating expenses .....	630,599.65	694,643.86
Operating expenses, per mile of road .....	2,604.92	2,869.48
Operating expenses, per train mile .....	1.83	2.02
Net operating revenue .....	247,256.58	190,801.60
Net operating revenue, per mile of road.....	1,021.38	788.17
Ratio of expenses to earnings .....	71.83	78.45

TABLE J  
DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

<i>Locomotives:</i>	1937	1938
Passenger .....	5	5
Freight .....	11	11
Switching .....	5	5
	<hr/>	<hr/>
Totals .....	21	21
 <i>Passenger Cars:</i>		
Coaches .....	5	5
Cafe .....	1	1
Parlor .....	1	1
Gas Electric Combination Passenger, Baggage and Mail .....	2	2
Combination Passenger and Baggage.....	4	4
Combination Baggage and Mail.....	2	2
Baggage and Express Cars .....	17	16
Express Refrigerators .....	8	8
	<hr/>	<hr/>
Totals .....	40	39
 <i>Freight Cars:</i>		
Box .....	224	223
Flat .....	41	41
Coal Cars .....	55	55
Refrigerators .....	6	6
Caboose Cars .....	10	10
	<hr/>	<hr/>
Totals .....	336	335
 <i>In Company's Service:</i>		
Officers .....	1	1
Ballast .....	3	3
Derrick Cars .....	1	1
Flangers .....	11	11
Snow Plow .....	1	1
Jordon Spreader .....	1	1
Industrial Crane .....	1	1
Other Road Cars .....	81	81
	<hr/>	<hr/>
Totals .....	100	100
 <i>Summary:</i>		
Total Number of Locomotives owned.....	21	21
Total Number of Cars owned.....	476	474

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP  
DURING YEAR 1938

TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Feet
1887	Extend Track 23 .....	No. Bay City	294
1888	Track 23-A.....	No. Bay City	519
1890	Track 8-A.....	No. Bay City	970
1893	Extend Track 5.....	No. Bay City	1334
1894	Track 4-A.....	Tawas City	345
1905	Extend Track 56.....	Pinconning	550
1907	Extend Track 8.....	No. Bay City	10
Total.....			4022

TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Feet
1895	North End Track 167.....	LaRocque	889
1896	Track 182.....	Onaway	849
1897	Track 68.....	Alpena	3864
1902	Back End Track 18.....	Alpena	1159
1903	Back End Track 254.....	Cheboygan	205
1904	Track 128-A.....	Greenbush	1252
1906	Track 9.....	Alpena	431
Total.....			8649

SUMMARY

	Miles
Tracks Taken Up.....	1.64
Tracks Built.....	.76
Net Decrease.....	.88





